





TO: John McDonough, City Manager

FROM: Eden Freeman, Grants Administrator

DATE: April 13, 2011 for submission on the Agenda of the April 19, 2011 City Council Meeting

ITEM: Authorization to Acquire Property Under Grant HMGP 1858-0006

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## **Background**

At the November 16, 2010 City Council meeting, Council voted to accept the award of funding from the Federal Emergency Management Agency (FEMA) and Georgia Emergency Management Agency (GEMA) Hazard Mitigation Grant Program (HMGP) to acquire six properties classified as substantially damaged from the October 2009 flooding. FEMA and GEMA approved an award of \$2,749,364, with a federal share (75%) of \$2,062,023, state share (10%) of \$274,936 and local share (15%) of \$412,405.

## **Discussion**

Because this grant results in the acquisition of property, under Georgia law, Council must vote to approve to purchase of each property, even though Council previously voted to accept the overall grant award.

The first property for acquisition and demolition 550 Pine Forest Road, Sandy Springs, GA 30342, owned by Mr. Jeffrey T. Shultz. The property has been appraised and the owner has agreed to sell said property for the appraised value of \$400,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

The next property to accept the City's purchase offer is 4685 Hitching Post Trail, NW, Sandy Springs, GA 30342, owned by Ms. Cathy Castana. The property has been appraised and the owner has agreed to sale said property for the appraised value of \$385,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

The next property to accept the City's purchase offer is 510 Pine Forest Road, Sandy Springs, GA 30342, owned by James and Courtney Walker. The property has been appraised and the owner has agreed to sale said property for the appraised value of \$396,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

The next property to accept the City's purchase offer is 520 Pine Forest Road, Sandy Springs, GA 30342, owned by Ms. Jeanette Pierce McConchie, as Executrix of the Estate of Roberta Chapman Attaway. The property has been appraised and the owner has agreed to sale said property for the appraised value of \$320,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

### **Alternatives**

Council could choose not to purchase said parcel, leaving properties with frequent flood damage intact within the City's neighborhoods.

### **Financial Impact**

While there is no negative financial impact to the City in terms of providing match, there are other financial implications. As a reimbursement only grant, there is the potential for cash flow to be impacted during the time period that funds are expended to purchase a property, submit for, and receive reimbursement from FEMA/GEMA. Staff has been assured by GEMA that every effort will be made to process reimbursements in as short of a timeframe as possible.

Long term, some cost will be incurred to maintain the subject property in a manner consistent with other similarly situated properties that have been returned to their natural state.

### **Attachment**

None.